

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 4/6/2016

GAIN Report Number:

Senegal

Cotton and Products Annual

2016 West Africa Cotton and Products Update

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Report Highlights:

MY 2015/16 seed cotton production in Burkina Faso, Mali, Cote d'Ivoire, Senegal, and Chad is expected to fall 7 percent from USDA official numbers to 1.7 million tons, a 9 percent decrease from last season's due to a late start of the rainy season and unexpected rains during a critical development phase of cotton bolls, thus reducing the aggregate yield and area planted. Burkina Faso will remain the top cotton producer with 650,000 tons followed by Mali (550,000 tons), Cote d'Ivoire (300,000 tons), Chad (180,000 tons), and Senegal (31,000 tons). Post estimates MY2016/17 seed cotton production at 1.9 million tons, a 13 percent increase over last season's if the climate is favorable. Burkinabe farmers may reduce or stop Bt cotton production by 2017/18, if a solution is not found between cotton actors and Monsanto regarding the short fiber length issue.

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Executive Summary:

Global MY2015/16 seed cotton production in selected countries may fall 7 percent from USDA official numbers to 1.7 million tons due to late start of the rainy season and unexpected rains in September and October which reduced yield, resulting in a 9 percent decrease from last season production.

Burkina Faso still remains the top cotton producer in the region with 650,000 tons, followed by Mali (550,000 tons), Cote d'Ivoire (300,000 tons), Chad (180,000 tons), and Senegal (31,000 tons). As some countries are still collecting seed cotton from the farm, Post expects MY2015/16 data to change slightly.

Burkinabe cotton stakeholders and Monsanto are expected to meet in late March to discuss possible solutions to the problem of the short length of Bt cotton fiber. In the meantime, a phase-out plan has been established by cotton actors to reduce GM Cotton production by 55% in MY2015/16, 30% in 2016/17, and 0% by 2017/18, if a solution is not found.

Post estimates MY2016/17 seed cotton production at 1.9 million tons, a 13 percent increase from last season's volume if the climate is favorable.

MY2015/16 cotton update for selected West African countries**Burkina Faso**

The late start of the rainy season and some rains in September and October had a negative impact on the MY2015/16 seed cotton production.

The ginning campaign is still ongoing and Burkina Faso's 2015/2016 crop production is estimated at 650,000 tons, a 9 percent drop from the country's initial target, but a 3 percent increase from USDA official target.

Area harvested and yields are estimated at 663,000 hectares and 0.867 tons per hectare, respectively.

MY 2015/16 Bt cotton production represents 56 percent of the total area harvested.

While a meeting between Monsanto and cotton stakeholders is scheduled to take place in late March, to try to solve the Bt. cotton fiber length issue, the main actors have already started to establish a phase out plan until a solution is found. The objective is to reduce GM Cotton production by 55 percent in 2015/16, 30 percent in 2016/17, and 0 percent in 2017/18.

Based on projected areas to be planted, Burkina Faso estimates MY 2016/17 production at 800,000 tons, while Post estimates production to not exceed 750,000 tons.

Mali

Similar to other West African countries, Mali's MY2015/2016 agricultural campaign started with a shortfall of rains leaving numerous dry pockets during optimal planting period (May 20 to June 30). This has negatively impacted the sowing schedule. Consequently, only 76% of the area targeted to be planted has been realized.

Mali is thus expected to produce 550,000 tons in MY 2015/16, representing 5 percent decrease compared to USDA official data and the quantity produced last season. Areas harvested and yields are both estimated at 545,000 hectares and 1 ton per hectare, respectively.

Mali forecasts MY 2016/17 seed cotton production at 650 000 tons, while Post projected production is 600,000 tons if the climate is favorable.

Cote d'Ivoire

According to the president of the Association of the Cotton Companies in Cote d'Ivoire (APROCOT-CI), MY 2015/16 cotton campaign will be poor due to a deficit of rain in May and June, coupled with the low quality seeds. In addition, rains in October did not favor the development of cotton bolls. Therefore, Cote d'Ivoire estimates MY2015/16 seed cotton production at 300,000 tons in March 2016, a drop of 29 percent from USDA official data and 33 percent from last season's output. Mr. ABA Achi, president of the APROCOT, believes that the final production will not exceed 350,000 tons. One of the consequences of this poor season could be farmers' inability to pay back their loans. Despite all the unfavorable factors, stakeholders continue to hope that the next campaign might be better if the weather is favorable.

The new renovated cotton classification laboratory in Cote d'Ivoire (3C-CI) employs 29 agents and has the capacity to produce 10,000 samples per day. It has been fully operational during the 2015/16 campaign.

The Ex Cotivo, an old spinning and weaving company located in the North of Cote d'Ivoire will reopen after being closed for few years. The new company named UTEXI was bought by an Ivorian business man. It is expected to produce jean fabrics. About 143 ex workers have been recalled to their formal duties, or to work in other areas. The president of the association of textile stakeholders said he is dedicated to reviving the textile industries.

Post expects Cote d'Ivoire MY 2016/17 seed cotton production to be close to 400,000 tons.

Senegal

Like other countries, Senegal could only plant 90 percent of its initial target due to lack of rains at the beginning of the season. Senegal MY 2015/16 seed cotton production is estimated at 31,000 tons with a yield of 1 ton per hectare, a drop of 9 percent from USDA official data and an increase of 20 percent from last season.

Senegal may increase MY 2016/17 seed cotton production by 6.5 percent to 33,000 tons if the raining season is favorable.

Chad

The ginning campaign has not finished yet but Chad estimates MY2015/16 seed cotton production at 180,000 tons, an increase of 5 percent from USDA official data and 27 percent from last season's output.

MY2015/16 yield is estimated at 0.617 tons per hectare.

Chad has not announced its forecast for MY2016/17, but Post estimates it at 150,000 tons.

Table 1: Seed Cotton Production: MY 2014/15 – MY 2016/17 (Aug-Jul)

Selected Countries	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17
	Post Updated Data Production	Post Forecasted Data Production	Post Forecasted Data Production	Post Updated Data Production	Post Forecasted Data Production	Post Forecasted Data Production
	(000 Bales)	(000 Bales)	(000 Bales)	(000 Tons)	(000 Tons)	(000 Tons)
Burkina Faso	1,349	1,235	1,425	710	650	750
Mali	1,042	1,045	1,140	548	550	600
Cote d'Ivoire	855	570	760	450	300	400
Chad	270	342	285	142	180	150
Senegal	50	59	63	26	31	33
Total	3,566	3,251	3,673	1,876	1,711	1,933

(Source: FAS Dakar estimates and official country data)

*1 Bale = 480 lbs

Production, Supply and Demand Data Statistics (1000 Hectares (HA), 1000 480 lb. Bales, PERCENT, KG/HA)

Cotton	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		Aug 2015		Aug 2016	
Burkina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	660	660	625	676	0	750
Beginning Stocks	255	255	465	339	0	259
Production	1350	1349	1200	1235	0	1425
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1605	1604	1665	1574	0	1684
Exports	1125	1250	1300	1300	0	1370
Use	15	15	15	15	0	15
Loss	0	0	0	0	0	0
Total Dom. Cons.	15	15	15	15	0	15
Ending Stocks	465	339	350	259	0	299
Total Distribution	1605	1604	1665	1574	0	1684

Cotton	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		Aug 2015		Aug 2016	
Mali	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	538	0	580	545	0	600
Beginning Stocks	271	271	566	388	0	451
Production	1070	1042	1100	988	0	1140
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1341	1313	1666	1376	0	1591
Exports	750	900	1200	900	0	1200
Use	25	25	25	25	0	25
Loss	0	0	0	0	0	0
Total Dom. Cons.	25	25	25	25	0	25
Ending Stocks	566	388	441	451	0	366

Total Distribution	1341	1313	1666	1376	0	1591
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Cotton	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		Aug 2015		Aug 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Cote d'Ivoire						
Area Harvested	414	415	410	400	0	400
Beginning Stocks	310	310	285	365	0	155
Production	855	855	800	570	0	760
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1165	1165	1085	935	0	915
Exports	850	800	800	750	0	730
Use	30	0	30	30	0	0
Loss	0	0	0	0	0	0
Total Dom. Cons.	30	0	30	30	0	0
Ending Stocks	285	365	255	155	0	185
Total Distribution	1165	1165	1085	935	0	915

Cotton	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		Aug 2015		Aug 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Chad						
Area Harvested	255	256	320	292	0	260
Beginning Stocks	36	36	76	46	0	51
Production	270	270	325	342	0	285
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	306	306	401	388	0	336
Exports	220	250	325	327	0	256
Use	10	10	10	10	0	10
Loss	0	0	0	0	0	0
Total Dom. Cons.	10	10	10	10	0	10
Ending Stocks	76	46	66	51	0	70
Total Distribution	306	306	401	388	0	336

Cotton	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		Aug 2015		Aug 2016	
Senegal	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	25	0	35	35	0	35
Beginning Stocks	13	13	8	13	0	14
Production	50	50	65	59	0	63
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	63	63	73	72	0	77
Exports	50	45	50	53	0	50
Use	5	5	5	5	0	5
Loss	0	0	0	0	0	0
Total Dom. Cons.	5	5	5	5	0	5
Ending Stocks	8	13	18	14	0	22
Total Distribution	63	63	73	72	0	77